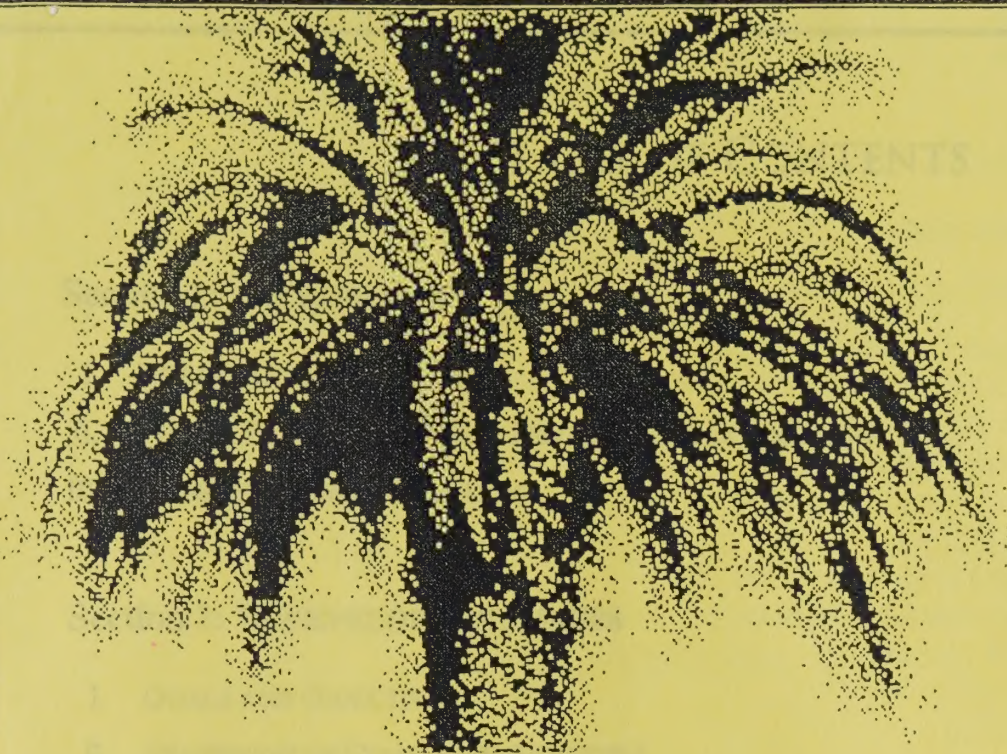




LA PALMA COMMUNITY DEVELOPMENT COMMISSION

FIVE YEAR IMPLEMENTATION PLAN 2000-2004

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Section 1: Background

I: INTRODUCTION

Every five years each redevelopment agency must prepare and adopt a five-year "Implementation Plan." The Implementation Plan is required to describe the specific goals, objectives, programs and expenditures of the agency, and to provide an explanation of how these goals, objectives, programs and expenditures will eliminate blight within the Project Area. The Implementation Plan is also required to contain an Annual Housing Program. This Program is to include a discussion of the number of housing units expected to be developed, rehabilitated, price restricted, otherwise restricted, or destroyed, and the details of how the agency plans to use its Low and Moderate Income Housing Fund. Additionally, if any project is expected to result in the destruction or removal of an affordable dwelling unit, the Implementation Plan must identify proposed locations suitable for replacement of that unit.

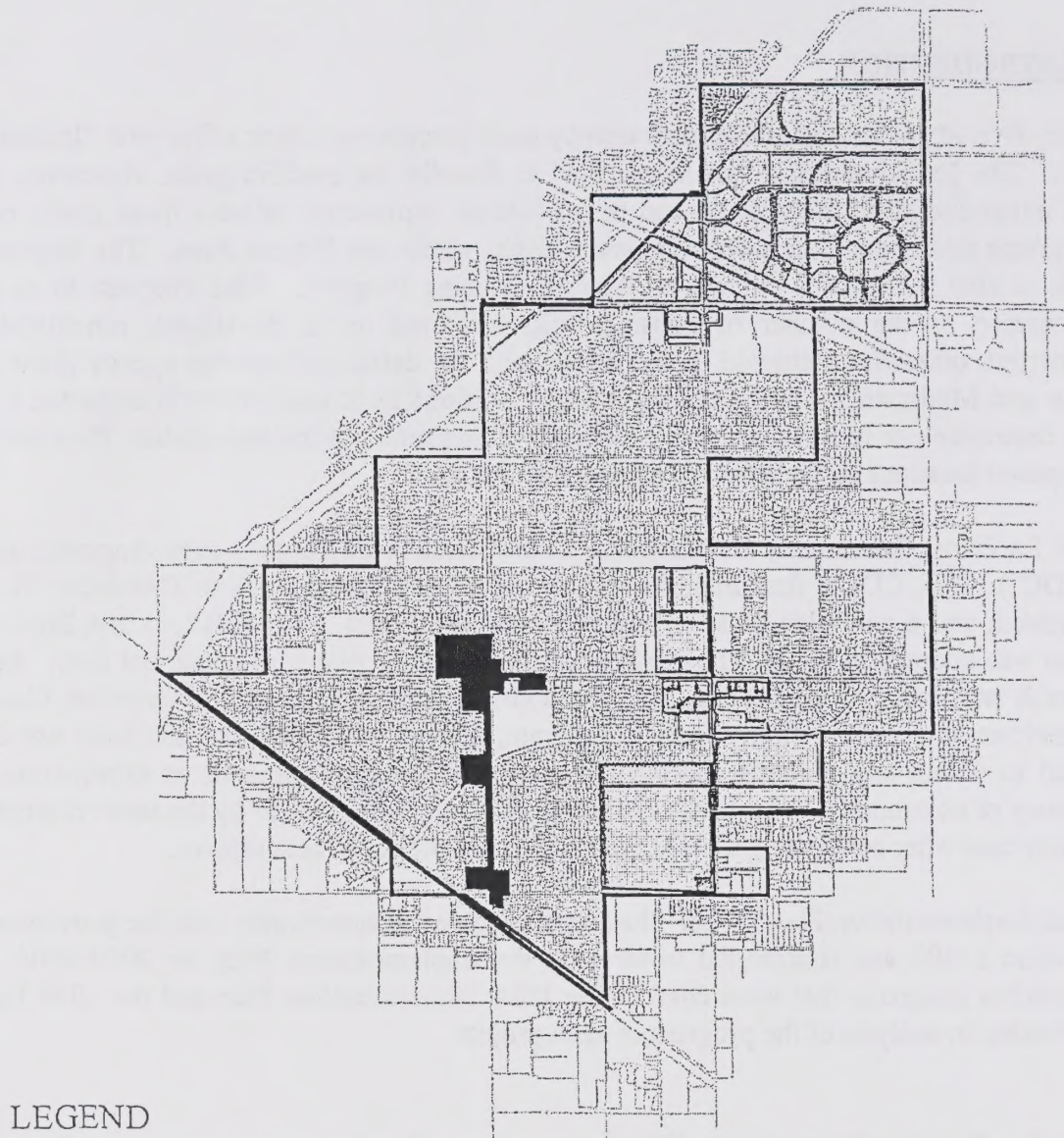
The La Palma Community Development Commission is La Palma's redevelopment agency (the "CDC"). The CDC's first Implementation Plan was adopted prior to December 31, 1994, as required, and a new plan must be adopted every five years. An update to this Implementation Plan was adopted in 1998. The Implementation Plan is a planning document only. As stated in Health and Safety Code Section 33490(a)(1)(b): "adoption of an Implementation Plan shall not constitute an approval of any specific program, project, or expenditure and shall not change the need to obtain any requires approval of a specific program, project, or expenditure from the agency or community." An Implementation Plan may be amended by the redevelopment agency at any time after conducting a public hearing on the proposed amendment.

This Implementation Plan ("Plan") has been prepared in accordance with the provisions of Code Section 33490 and is intended to serve as the Implementation Plan for 2000-2004. This plan identifies programs that were cited in the 1994 Implementation Plan and the 1998 Update, and provides an analysis of the progress of each project.

II: LA PALMA COMMUNITY DEVELOPMENT COMMISSION

Since its creation in 1983, the Community Development Commission and the City Council of the City of La Palma approved a Redevelopment Project Area (Ordinance No. 83-7 on May 3, 1983). The area generally known as the Community Development Project Area has been amended twice with the Moody Street Amendment (1987) and the Walker Street Amendment (1992), to add territory to the original redevelopment project area. The original project area as amended by the 1987 and 1992 amendments is collectively referred to as the "Project Area". The Project Area, contains approximately 337.14 acres (0.53 square miles) of land area, which encompasses approximately 26.5 percent of the total acreage in the City.

Redevelopment Project Areas



LEGEND

-  La Palma Community Development Plan (1983)
-  Moody Street Amendment No. 1 (1987)
-  Walker Street Amendment No. 2 (1992)

III. REDEVELOPMENT STANDARDS

Before the passage of AB 1290, the specific characteristics of blight were defined by California Community Redevelopment Law in sections 33031 and 33032. The Project Area that exists within the City was adopted using these definitions; therefore, they are included here, as follows:

Section 33031. A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, because of any one of a combination of the following factors:

- Defective design and character of physical construction.
- Faulty interior arrangement and exterior spacing.
- Inadequate provision for ventilation, light, mixed character, or shifting uses.

Section 33032. A blighted area is characterized by properties that suffer from economic dislocation, deterioration, or disuse because of one of the following factors:

- The subdividing and sale of lots irregular in form and shape and inadequate in size for proper usefulness and development.
- The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions.
- The existence of inadequate public improvements, public facilities, open spaces, and utilities that cannot be remedied by private or governmental action without redevelopment.
- A prevalence of depreciated values, impaired investments, and social and economic maladjustment

Under this definition, a blighted area is one characterized by one or more of the aforementioned conditions and causes a reduction in, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot be reasonably expected to be reversed or alleviated by private enterprise acting alone.

These were the conditions that were used to select the Project Area, and are the standards that the CDC will use to evaluate its performance with regard to the elimination of blight. Ten specific types of blight were identified in the Project Area.

- a) Broken pavement, weeds, and debris on several lots;
- b) The existence of overhead power lines, adding to the aesthetic blight along major streets;
- c) A lack of affordable housing units throughout the City;
- d) Deteriorating traffic signals, water lines, sewer lines, storm drains, and streets serving the Project Area;
- e) Inadequate public facilities and gathering places such as restrooms, libraries, recreational facilities, and an auditorium;

- f) Deterioration of commercial structures through age, vacancy, and inappropriate usage, inviting vandalism and graffiti;
- g) Incompatible adjacent or nearby uses which prevent economic development;
- h) Subdivided lots of irregular form and shape and inadequate size for proper usefulness and development;
- i) Depreciated or stagnant property values or impaired investments;
- j) High business vacancies in an area designed for urban uses and served by utilities.

Section 2: Redevelopment Issues

I. GOALS AND OBJECTIVES

One of the prime objectives of the Implementation Plan is to provide a basis by which the CDC evaluates attainment of the goals and objectives of the California Community Redevelopment Law and the Project Area Redevelopment Plan. The following is a summary of the current goals and objectives, set by the CDC in reference to these documents.

In accordance with the City of La Palma Community Development Plan the specific objectives designed to end the blighting conditions within the Project Area are:

1. Eliminate and prevent the spread of blight, nonconforming uses, and deterioration, and to promote the conservation, rehabilitation, and redevelopment of the Project Area in compliance with the General Plan, Precise Plans, the Redevelopment Plan, and local Codes and Ordinances;
2. Mitigate or eliminate nonconforming and incompatible land uses, inadequate water, sewer and storm drainage systems, and other similar public and private improvements, facilities, and utilities' deficiencies adversely affecting the Project Area;
3. Make provision for pedestrian and vehicular circulation systems, coordinated with land uses and densities, adequate to accommodate traffic, and to encourage the expansion and improvement of public transportation services;
4. Improve substandard vehicular circulation and insufficient off-street parking;
5. Achieve an environment reflecting a high level of concern for architectural, landscape, and urban design principles appropriate to the objectives of the Redevelopment Plan;
6. Encourage the development of an identifiable and unique image through a consistent architectural and urban design character for the Project Area to enhance its economic viability;
7. Encourage the cooperation and participation of residents, business persons, public agencies, and community organizations in the revitalization of the Project Area;
8. Encourage the investment of the private sector in the full development of the Project Area and to prevent the loss of related revenue sources;
9. Promote the economic well being of the Project Area by encouraging the diversification of its commercial base and of employment opportunities;

10. Coordinate the revitalization efforts in the Project Area with other public agencies and funding sources;
11. Provide the opportunity for increased sales, business licenses, and other fees, taxes, and revenues to the City of La Palma;
12. Encourage the economic development, business enhancement, business attraction, and business retention through grants and loan programs.

These goals and objectives are referenced in Table 4 of this Plan to indicate which specific goal or objective each program addresses.

II. STATEMENT OF COMPLETED ACTIVITIES

Since the adoption of the first Implementation Plan in 1994, the CDC has focused on completing the projects identified in that Plan. Of the 17 projects specifically identified, nine have been completed and the remaining eight programs are either in ongoing, in process or are being reevaluated. The following chart and brief descriptions indicate the activities that the CDC has been able to complete as a result of redevelopment funds.

Table 1

COMPLETED PROGRAMS & EXPENDITURES LA PALMA COMMUNITY DEVELOPMENT PROJECT AREA

COMPLETED PROJECTS		
1	Public Restroom Installation*	\$ 70,000
2	Walker Street Reconstruction	225,000
3	La Palma Avenue Rehabilitation	400,000
4	Industrial Street Rebuild	235,000
5	Signal Synchronization	198,000
6	Signal Installation	85,000
7	Pedestrian Signal Upgrade	60,000
8	Public Improvements	330,000
9	Economic Development Activities	300,000
10	Fence Construction	15,000
TOTAL EXPENDITURE		\$ 1,918,000

* Project funded through the County of Orange without redevelopment funds
Source: City of La Palma Staff, Annual Budgets

(Note: All improvements are capital projects and are not normal operations or maintenance activities.)

1. **Public Restroom Installation:** Under this program, the CDC effected the improvement of a public restroom in Central Park, along the Edison right-of-way, to be used in conjunction with recreational activities. The cost of this project was \$70,000 dollars. While this program was initially expected to be funded through the Redevelopment General Fund, the CDC was able to secure financing for this project from the County of Orange.
2. **Walker Street Reconstruction:** The CDC funded the improvement of Walker Street from La Palma Avenue to Orangethorpe Avenue to address a number of safety hazards along a major street serving the Project Area. The cost to complete the project was \$225,000 dollars.
3. **La Palma Avenue Rehabilitation:** The CDC funded the rehabilitation of La Palma Avenue from Moody Street to the western City boundary in an effort to serve the construction of affordable housing at the Denni Street Village Development. The cost of the project was \$400,000 dollars.
4. **Industrial Street Rebuild:** In an effort to retain its industry and to lessen the business vacancies in the Project Area, the CDC funded the reconstruction of Fresca Drive and Marlin Circle. The total cost of this program was \$235,000 dollars.
5. **Signal Synchronization:** The CDC has been very concerned with traffic flow and circulation in the Project Area. In response to this, the CDC funded the synchronization of the Moody and Walker Street signals. This was a joint program with the City of Cypress, where the final cost to the CDC was approximately \$198,000 dollars.
6. **Signal Installation:** To further enhance traffic flow and safety within, and benefiting, the Project Area, the CDC funded the installation of traffic signals at the Walker/La Luna and Crescent/Moody intersections. The cost of this project was \$85,000 dollars.
7. **Pedestrian Signal Upgrade:** While vehicular traffic flow is very important to the CDC, pedestrian safety is also of great importance. Therefore, the CDC felt it necessary to fund the upgrade of the pedestrian signal at the Bravo/La Palma intersection to increase the overall safety. The cost for this upgrade was \$60,000 dollars.
8. **Public Improvements:** The CDC has an ongoing program of funding installation, construction, reconstruction, and redesign of streets, utilities, curbs, gutters, sidewalks, handicap ramps, and other public improvements in accordance with the City's General Plan and Zoning Ordinances. The end cost of this project is estimated to be \$330,000 dollars.
9. **Economic Development Activities:** The CDC has an ongoing commitment to enhancing the business community and makes every effort to maintain the quality businesses that exist in the Project Area. Many activities associated with economic development are

included in the cost figures and programs listed above. These activities included the agreement to facilitate the development of the Walgreen's pharmacy and a requirement for repayment of CDC assistance if Walgreen's fails to remain in the city, assisting with the cost of seismic and ADA upgrades to a commercial building to bring a new company into the City, as well as, providing assistance to a local printing company to ensure that the company chose to expand their existing operation rather than finding a new site outside the city limits. A total of \$300,000 dollars has been budgeted to fund these activities.

- 10. Fence Construction:** The CDC identified a community eyesore and a potential hazard at the Southern California Edison right-of-way at Valley View Boulevard. In order to remedy this situation, the CDC contributed approximately \$15,000 dollars to have a fence constructed in accordance with Municipal Code standards.

In addition to those projects specifically outlined in the 1994 Plan, the projects set forth in Table 2, were proposed during the 1994-1998 time period.

Table 2

**REDEVELOPMENT PROJECT AREA ACTIVITY
PROPOSED IN THE 1994 - 1998 PLAN**

PROJECT	STATUS	EXPENDITURE
Community Center Construction	Planned	\$130,000
Construction and/or Reconstruction of Flood Control Facilities, and Storm Drains	Planned	\$100,000
Encouragement of Economic Development, Business Enhancement, and Business Retention	Ongoing	\$300,000
Entry Monuments along Walker, Orangethorpe, La Palma, and Moody Avenues	Planned	\$ 80,000
Improvement and Development of Recreational Facilities (Central Park)	Completed	\$150,000
Improvement and Undergrounding of Utility Distribution Systems	Planned	\$500,000
Intersection Upgrades at La Palma/Walker	Planned	\$ 80,000
Lease of Additional Land and Improvement to Provide Recreational Uses (El Rancho)	Planned	\$ 50,000
Miscellaneous Public Improvements	Planned	\$250,000
Provision and/or Upgrading of Traffic Signals, Lighting, Channelization, and Other Circulation Deficiencies	Planned	\$ 80,000
Street Median Retrofit Near Intersection of Moody/La Palma	In Progress	\$ 70,000
Street Median Landscape Along Moody, Crescent, Orangethorpe, and La Palma	In Progress	\$245,000
Traffic Signal Signage Upgrades & Enhancement Throughout City	Completed	\$ 25,000
Upgrade of Signal at the La Palma/Redford Intersection	Completed	\$ 70,000
Youth Roller Hockey Development at Cypress Arnold Park	Completed	\$ 70,000

The programs and projects listed in *Table 2*, which have not been completed, have been re-evaluated. The projects that continue to be priorities have been included in *Table 4* Anticipated Projects for 2000-2004.

III. Revenue Projections

The *Table 3* illustrates anticipated CDC Tax Increment revenue monies during the five years from July 1, 1999 thru June 30, 2004.

Table 3

FIVE YEAR CDC TAX INCREMENT PROJECTIONS

YEAR	PROJECTED TAX INCREMENT
1999-2000	\$ 1,600,000
2000-2001	1,648,000
2001-2002	1,697,440
2002-2003	1,748,363
2003-2004	1,800,814
TOTAL	\$ 8,494,617

Source: City of La Palma Finance Department

These projected revenues will be expended primarily on debt service to repay existing bonds Administration and overhead costs to manage the CDC will also be funded from the tax increment. The money available to fund future CDC projects is largely a result of the original bonded indebtedness and interest money earned.

IV. ANALYSIS OF FUTURE ACTIVITIES

The proposed programs and expenditures are related directly to the elimination of blight within the Project Area. Specifically, the projects are aimed to remedy three specific types of blight:

- 1) *Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting Use;*
- 2) *Lots of Irregular Form or Shape or Inadequate Size for proper usefulness and development;*
- 3) *Existence of Inadequate Public improvements, Public Facilities, Open Spaces, or Utilities which cannot be remedied by private or governmental action without redevelopment*

While much of the previous attention has focused on streets and utility type public works projects, the next phase of projects, in addition to the ongoing upgrades to infrastructure, will also be directed toward enhancing the City image through area wide beautification projects in coordination with public improvements, as well as, the ongoing projects to ensure the economic viability of the businesses in the Project Area.

The CDC anticipates completing a series of new projects not previously identified along with those items identified in the 1994 Plan that have not been completed, and are still priorities. The following table outlines programs currently being planned in the community through the assistance of the CDC. In each case, no money will be expended until the City Council makes

Table 4 provides the categories for the proposed CDC projects over the upcoming five years. It also indicates which goals are being met by that category of projects. The anticipated expense in several instances will only provide for a portion of the project's total cost, additional funding, including grants and contributions from other agencies will be pursued to cover the balance of the project cost

Table 4

PROGRAM & EXPENDITURE PROJECTIONS
2000-2004

	PROJECT DESCRIPTION	GOAL ADDRESSED	ANTICIPATED EXPENDITURE
1	Traffic Signal Provision and Improvements	3,4,7,10	\$ 327,000
2	Arterial Street Improvements	1,3,4,7,10	765,000
3	Street Medians - Traffic Channelization and City Image Enhancement	1,3,4,6,10	938,000
4	Entry Monuments	6	80,000
5	Bridges	1,2,10	48,000
6	Community Center Construction	1,5,6,10	775,000
7	Provide for the expansion, renovation, and relocation of businesses within the Project Area	8,9,11,12	287,000
*8	Police Department Facilities Expansion	1,5,6	550,000
TOTAL ANTICIPATED EXPENDITURES 2000-2004			\$3,770,000

Source: City of La Palma City Manager, City Planner and Director of Public Works

The following project descriptions relate to those included in the categories in Table 4. They are not all inclusive and the proposed projects will be reviewed on an annual basis for priorities and relevancy.

1. **Traffic Signal Provision and Improvements:** The CDC wishes to address several circulation deficiencies throughout the Project Area through the provision and/or upgrading of traffic signals. In order to accomplish this, the CDC may expend approximately \$327,000 over the next five years for the improvements.

* Project Added with Plan Amendment on 1/16/01

2. **Arterial Street Improvements:** Over the five-year period covered by this Plan all of the arterial streets in the City may be subject to capital improvements to provide for optimal circulation and correct existing deficiencies on these streets. The \$765,000 listed in Table 4 will cover partial funding for street improvements; the balance will be sought from other funding sources.
3. **Street Medians:** Existing medians will be retrofitted to bring them up to current design standards in order to handle present and future traffic flow intensities. In several places within the Project Area, the median landscaping is either non-existent or suffering from age and deterioration and may along the arterial streets, be renovated to co-ordinate with the City Image Project. New medians will also be constructed to correct circulation problems and enhance the esthetics of the City. Establishing an identity for the City has been identified as a CDC goal to aid in the attraction and retention of businesses in La Palma. The CDC may contribute a total of \$938,000 dollars to fund the necessary improvements to assure good circulation and the enhancement of the deteriorated appearance in several areas.
4. **Entry Monuments:** In an effort to upgrade the initial image of the community to visitors, residents, and potential businesses, the CDC will fund the placement of monuments at highly visible entry points into the City. These locations include boundary points along Walker, La Palma, Orangethorpe, and Moody Streets. The CDC may spend \$80,000 dollars on the project.
5. **Bridges:** The CDC may partially fund a joint project with the City of Cerritos regarding the widening of the Moody Street / Coyote Creek Bridge. This Plan anticipates \$775,000 in redevelopment funds for this project.
6. **Community Center:** The CDC may partially fund construction of an activity center for expanded community services. The facility will be located near existing recreation facilities in the Civic Center. This Plan anticipates \$775,000 in redevelopment funds for this project.
7. **Provide for the expansion, renovation, and relocation of businesses:** This program is targeted toward the encouragement of economic development, business enhancement, and business retention through grants and loans within the Project Area. It promotes the economic well being of the Project Area by encouraging the diversification of its commercial base and of employment opportunities. This Plan anticipates \$287,000 in redevelopment funds for on this activity.
8. ***Police Department Facilities Expansion:** The CDC may fund, in whole or in part, construction activity for the expansion, renovation and modernization of the police

* Project Added with Plan Amendment on 1/16/01

to maintain the high level of service that the City currently provides. The existing facilities are overcrowded and in need of expansion and modernization to adequately provide for the safety of the community. This Plan anticipates \$550,000 in redevelopment funds for this project.

These projects and programs should not be construed as limiting the CDC. Rather, unforeseen opportunities may present themselves over the years of the Implementation Plan. The CDC will evaluate the merits of potential programs and make its determination on an individual basis. As noted earlier, prior to making specific expenditures, the CDC and City Council may be required to make specific legally mandated findings and, in some cases, hold a public hearing.

The CDC strives to attain its goals through orderly planning and thoughtful program design. While there is certainly much to be completed in the future, over the past seventeen years, the CDC has made important progress in addressing the conditions of blight within the Project Area. Future programs will be implemented with these same goals in mind.

Section 3: Affordable Housing Compliance Requirements

I. INTRODUCTION

The California Health & Safety Code Section 33000, *et seq.* ("the Code") states that one of the basic purposes of redevelopment is to improve and increase the supply of low and moderate income housing within the community. Assembly Bill 315 added a requirement that all redevelopment agencies adopt a ten year housing plan which is to be amended every five years. The AB 315 Plan is designed to identify quantifiable housing requirements and to set forth specific actions to meet those requirements within the mandated ten-year period. Section 33413(b)(4) requires that the AB 315 Plan be completed as part of the Implementation Plan process. This section will describe the requirements of the Code and detail the specific projects and goals which the Community Development Commission of the City of La Palma plans to undertake in the coming years to satisfy the requirements set forth in the Code.

II. REQUIREMENTS

California Health and Safety Code Sections 50079.5 and 50105 provide that affordability limits are those that are established by the U.S. Department of Housing and Urban Development ("HUD"). The income limits set by HUD are revised annually and are based on median family income for a particular county and a corresponding family size. As such, the following are the categories set by State and Federal guidelines:

- Very low income is deemed to be up to and including 50 percent of Area Median Family Income adjusted for family size;
- Low Income is deemed to be between 51 and 80 percent of Area Median Family Income adjusted for family size;
- Moderate Income is set at levels between 81 and 120 percent of Area Median Family Income.

In the County of Orange, the Area Median Family Income (for a family of four) is \$69,600 dollars for 2000. The following table illustrates the range of affordable housing limits for the City of La Palma.

Table 5

COUNTY OF ORANGE AFFORDABLE HOUSING INCOME LIMITS 2000

INCOME STANDARDS	PERSONS PER HOUSEHOLD							
	1	2	3	4	5	6	7	8
Very Low	\$24,350	\$27,850	\$31,300	\$34,800	\$37,600	\$40,350	\$43,150	\$45,950
Low	\$35,150	\$40,150	\$45,200	\$50,200	\$54,200	\$58,250	\$62,250	\$66,250
Median	\$48,700	\$55,700	\$62,650	\$69,600	\$75,150	\$80,750	\$86,300	\$91,850
Moderate	\$58,450	\$66,800	\$75,150	\$83,500	\$90,200	\$96,850	\$103,550	\$110,200

Source: Department of Housing and Urban Development

There are five major criteria that guide the actions of the La Palma Community Development Commission pursuant to affordable housing. They are:

- (1) Twenty percent (20%) of all tax funds allotted to the CDC must be set-aside in the CDC's Low and Moderate Income Housing Funds to improve and increase the supply of low and moderate income housing;
- (2) The CDC must replace all low and moderate income housing that is destroyed or removed as a result of redevelopment activity;
- (3) A fixed percentage of all housing constructed in the Project Area must be made available to those of low and moderate income;
- (4) Homes which are developed or assisted by the CDC, or as a result of the use of Housing Funds, must be affordable to persons of low and moderate income for a fixed period of time; and
- (5) All redevelopment actions taken pursuant to this section must comply with the goals and policies set forth in the Housing Element of the City's General Plan.

The following describes in detail the requirements listed above:

a) Twenty Percent Set-Aside for the Low and Moderate Income Fund

According to Section 33334.2 of the Code:

"Not less than 20 percent of all taxes which are allocated to an agency [i.e. tax increment] shall be used by the agency for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing available at a cost to persons and families of low or moderate income, and very low income households."

This set aside money can be used for the acquisition, improvement, or donation of real property or building sites to private or public persons or entities; the construction, acquisition, or rehabilitation of buildings or structures; providing subsidies to families of low and moderate income; payments for the development of plans, principal and interest on bonds, loans, advances, or other indebtedness; maintenance of the community's supply of mobile homes; or for the preservation of the availability of affordable housing to persons of low and moderate income. In addition, this money may be used within or outside the Project Area provided that the use of funds outside the Project Area is found to be of benefit to the project. The City Council has made that finding because there is so little residentially zoned property within the Project Area, are therefore affordable housing requirements primarily are addressed on properties outside the Project Area.

b) Replacement Housing

Section 33413(a) of the Code requires that:

"Whenever dwelling units housing persons of low and moderate income are destroyed or removed from the low and moderate income market as a part of a redevelopment project, the agency shall, within four years, [make available] an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency."

For those units removed after September 1, 1989, 75 percent of the replacement dwelling units must be available at affordable housing costs in the same income level as those removed. Not less than 30 days prior to the acquisition of property which would lead to the destruction or removal of affordable housing units, the CDC must adopt, by resolution, a replacement housing plan which describes the area, means of financing, the number of dwelling units, a timetable for meeting the plan requirements, and a finding that the replacement housing does not require the vote of the general public.

c) Inclusionary Housing

The "inclusionary rule" described in Section 33413(b) requires that not less than a minimum of a fixed percentage of housing developed or substantially rehabilitated be affordable to people of low and moderate income. This fixed percentage is dependent on whether the units are developed by the CDC or by another public or private entity. These requirements apply in the aggregate to total housing developed over the life of a redevelopment plan and do not apply to each individual housing development.

Specifically, if units are directly developed by the CDC, within or outside the Project Area, at least thirty percent (30%) of the units must be made available to persons or families of low and moderate income. Of those units required to be affordable to persons of low and moderate income, half (or 15 percent of the total) must be available to households of very low income. (Note: The CDC has no plans to directly develop housing and therefore the above requirement will not apply to the CDC.) When units are developed in a Project Area by an entity other than the CDC, fifteen percent (15%) must be affordable to low and moderate income families, with at least forty percent (or 6 % of the total) of those units available to persons of very low income. If housing is developed outside of a Project Area by a private company without the assistance of the CDC, no inclusionary housing requirement exists.

Example: 200 homes are built within the Project Area, over the life of a redevelopment plan, by private companies. Thirty affordable homes must be established (12 very low income homes, and 18 low/moderate units).

To satisfy the requirements of this section, the CDC is allowed to replace two affordable housing units outside the Project Area for every one required inside. This is referred to as the 2-to-1 rule.

d) Length of Affordability

Units which are developed using Housing Funds must remain available to persons of low and moderate income for "the longest feasible time, but for not less than at least 15 years for rental units and ten years for owner occupied units. To be counted toward meeting the inclusionary housing requirement, units must remain affordable for not less than the period of the land use controls set forth in the Redevelopment Plan.

Under Section 33413(c)(2)(A) of the Code, the CDC may permit sales of owner occupied units prior to the expiration of land use controls for a price in excess of the "affordable price" with the owner retaining a portion of the excess, provided that the remainder goes to the CDC. The amount of excess that the occupant is allowed to retain is dependent upon the length of occupancy.

e) Housing Element Goals and Policies

According to the Government Code, Section 65583, the Housing Element must:

"Consist of an identification and analysis of existing and projected housing needs; a statement of goals, policies, quantifiable objectives, and scheduled programs for the preservation, improvement, and development of housing, including rental housing, factory built housing, and mobile homes; and shall make adequate provision for the existing and projected needs of all economic segments of the community."

The California State Legislature has identified the three fundamental community housing needs, which are:

- *Improvement to the housing stock;*
- *Financial assistance needs (i.e. adequate provision); and*
- *Housing production requirements (i.e. adequate sites).*

The goals we have set for ourselves in this plan correspond to the above listed issue areas, and our housing programs implement the respective policies of these goals. Included in each program is a description of its primary components and an objective. The objective establishes a benchmark of implementation for each of the housing programs, within the current housing element cycle. The time frame for implementation of the Housing Plan is five years.

Section 4: Goals and Policies

The goals and policies for housing in the City of La Palma for the planning period from 1999-2000 and 2000-2004 are as follows:

TOPIC: *Diversity Of Housing Options*

GOAL 1: Provide a diversity of housing opportunities to satisfy the physical, social and economic needs of the existing and future residents of La Palma, including those with special needs (special needs include large families, single parent households, the disabled, senior citizens, and the homeless).

DISCUSSION: *We seek to achieve a balanced inventory of housing in terms of unit type, cost and tenure. This range of housing options is necessary to support an economically and socially diverse community such as ours. Adequate public facilities and services are important in maintaining the quality of life valued by all of our City's residents. We also value the important investment represented by our existing housing stock.*

Policy 1.1 We will ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents.

Policy 1.2 We will promote the continued maintenance and enhancement of the existing housing stock.

Policy 1.3 We will support innovative public, private and non-profit efforts in development of affordable housing, particularly for special needs groups.

TOPIC: *High Quality Residential Development Standards*

GOAL 2: High quality residential development standards shall be maintained to ensure that livable neighborhoods are maintained with lasting safety and aesthetic value.

DISCUSSION: *Our City is characterized primarily by its stock of high-quality single-family housing. It is essential to the social, physical and economic well being of the City that this housing stock be actively maintained and enhanced through our policies and programs.*

Policy 2.1 We will continue to establish and enforce property maintenance regulations that promote the sound maintenance of property and enhance the livability and appearance of residential areas.

Policy 2.2 We will provide public services and improvements that enhance and create neighborhood stability.

TOPIC: *Removal of Housing Constraints*

GOAL 3: We will address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement and development of housing.

DISCUSSION: *Governmental constraints are policies, standards or requirements imposed by our City that may have the potential to constrain the production of affordable housing under certain circumstances. Development fees, processing procedures, and development standards are cited as factors that impact the ability to provide for market rate affordable housing.*

Policy 3.1 We will remove regulatory barriers to the development of emergency and transitional housing for the homeless. We will assist developers of emergency and transitional housing in locating sites and streamline the approval and permitting process for this housing.

Policy 3.2 We will provide flexibility in development regulations to permit higher density affordable housing to be put into place in the city.

Policy 3.3 We will periodically review City development standards to ensure consistency with the General Plan and to facilitate high-quality affordable housing. Affordable, transitional and emergency housing applications will be moved through the approval and permitting processes in an expedient manner. We will assist in the filing of forms and permitting approvals from related agencies for affordable housing projects.

TOPIC: *Equal Housing Opportunity*

GOAL 4: Assure that housing opportunities are available to all persons without regard to race, color, ancestry or national origin, religion or marital status.

DISCUSSION: *Discrimination in housing practices is prohibited by national and state fair housing laws. Discriminatory practices impede housing opportunities for all residents of La Palma.*

Policy 4.1 We will encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing.

Policy 4.2 We will assure and support the efforts of others to ensure that unrestricted access to housing is available to all segments of the community.

Policy 4.3 We will encourage and support local private non-profit groups that address the housing needs of the homeless and other disadvantaged groups.

STATUS AND DESCRIPTION OF ADOPTED HOUSING ACTIVITY

Activity	Responsible Party	Start Date	End Date	Status
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress
Adopted Housing Activity	City of Chicago	1999	2004	In Progress

Section 5: Housing Programs and Plans

1994-1999 and 2000-2004

The City's housing programs for the planning period spanning 1994-1999, and 2000-2004 are described below, and are followed by a Summary Action Plan in matrix form. The matrix summarizes the intent of each program, and identifies an objective, funding sources, agency responsible for implementation, and time frame. This format provides a quick reference for users of this document, and facilitates evaluation of the Housing Plan in the next Housing Element cycle.

I. HOUSING PROGRAMS 1994 – 1999

The table below provides a summary of the affordable housing activity in La Palma from 1994 through 1999. The ongoing programs are administered by the County Housing Authority and target homebuyers who earn less than the median income for the County. Status & Description of Affordable Housing Activity

Table 6

STATUS AND DESCRIPTION OF AFFORDABLE HOUSING ACTIVITY JULY 1, 1994 THRU JUNE 30, 1999

PROJECT	STATUS	EXPENDITURE	UNITS
Denni Street Village Development	Completed	\$ 1,200,000	16 Moderate 46 Median 35 Very Low
Walker Street Senior Housing Project	Under Construction	405,531	60 Moderate
First Time Homebuyers Program	Ongoing	0	n/a
Mortgage Credit Certificate Program	Ongoing	190,000	1 moderate
TOTAL EXPENDITURES		\$1,795,531	77 MODERATE 46 MEDIAN 35 VERY LOW

II. PROJECTS PLANNED FOR 2000-2004

a) Walker Street Senior Citizens Apartments

Objective: *Develop 60 units of moderate-income senior housing.*

Develop the vacant site at 7051-61 Walker Street, into 60 units of Senior Housing with the assistance of the City's Community Development Commission (CDC). The parcel has been rezoned from commercial to multiple family residential with a village overlay to facilitate this development. 100% of the units are to be restricted for households earning no more

than 120% of the area moderate income. The project's income and affordability restriction covenants must be maintained for a minimum of 55 years.

b) Section 8 Rental Assistance

Objective: *Support efforts to increase the amount of funding allocated to HUD programs. Provide referrals to apartment complex owners for information on the various Section 8 programs. Continue to participate in the County Housing Authority's Committee for municipalities participating in Section 8 County-Administered programs. Assist 10 very low or low-income households in the City. Assist 10 very low and low-income households in the City.*

The Section 8 program provides rental assistance to low and moderate-income families, elderly and disabled persons who spend more than 30 percent of their monthly income on rent although not a CDC program, it is included here for reference purposes. The subsidy represents the difference between the excess of 30 percent of the recipient's monthly income and the federally approved fair market rents (FMR). Section 8 assistance is available in the following forms:

➤ Existing Housing Certificate Program

Under the certificate program, the landowner enters into a contract with the local Housing Authority, which limits rent for the very low-income unit to the FMR. Eligible tenants must pay the highest of 30 percent of adjusted income, 10 percent of gross income, or the portion of welfare assistance designated for housing. Housing subsidized through this program must meet the standards of safety and sanitation established by HUD.

➤ Existing Housing Voucher Program

This program is similar to the Certificate Program, however, rent for the units are not restricted. The tenant must instead pay the difference between the FMR standard and the actual rent.

The Orange County Housing Authority administers the Section 8 Certificate/Voucher Program for cities in Orange County, including La Palma. According to the Housing Authority, nine households in La Palma receive Section 8 assistance: eight under the certificate program and one under the voucher program.

The City cannot directly influence the number of Section 8 certificate/vouchers available to residents, however the City supports efforts of the Housing Authority to obtain additional funding from HUD to provide subsidies. The City should also continue to attend Housing Authority meetings and participate with the Housing Authority in administering the program. The City can also encourage property owners to participate in the various Section 8 programs.

c) Grant Funding for Preservation and Rehabilitation of Affordable Housing

Objective: *Preserve and rehabilitate 5 affordable housing units.*

Through the Community Development Block Grant (CDGB) program, HUD provides funds to local government for a range of community development activities that benefit lower income households. In Orange County, the Orange County Housing/Community Development Program office is responsible for distributing CDBG funds. It is estimated that the City of La Palma will receive \$50,000 in CDGB funds from 1998-2000. CDGB funds have to date been used for a non-housing related public ADA programs. The agreement will be automatically extended for an additional three years unless the City requests otherwise in writing. The City intends to continue the agreement.

d) First Time Homebuyers Program

Objective: *Assist 6 First Time Homebuyers with incomes of 70 percent or below the County median in purchasing homes.*

The First Time Homebuyers Program administered by Orange County provides recipients down payment assistance, targeted at the population with incomes of 70 percent or less of the County median.

To date no La Palma resident has been the recipient of assistance from this program. The CDC and the City will publicize the availability of the County's First Time Homebuyers Program to local residents by:

- Publishing information about the program in the City's La Palman newsletter, distributed to all households; and
- Posting information about the program in the City's public library and community center.

e) Mortgage Credit Certification Program

Objective: *Assist 5 homebuyers by providing tax credits through the Mortgage Credit Certification Program. .*

Under the Mortgage Credit Certification (MCC) program first-time homebuyers receive a tax credit based on a percentage of the interest paid on their mortgage. This tax credit allows the buyer to qualify more easily for home loans as it increases the effective income of

the buyer. Under federal legislation, 20 percent of the funds must be set-aside for buyers with incomes between 75 and 80 percent of the County median income. The County of Orange Public Finance Division administers the MCC program countywide. Jurisdictions that allocate funds to the program receive a six-month priority. The County administers the program in conjunction with local participating lenders.

Since 1994, no residents in La Palma have received assistance through this program. The CDC and the City will publicize the availability of the MCC program to local residents by:

- Publishing information about the program in the City's La Palman newsletter, distributed to all households; and
- Posting information about the program in the City's public library and community center, on the City Hall bulletin board and on the City Web Site when it is completed.

f) Reverse Mortgage Program

Objective: *Refer all eligible parties who contact the City with an interest in this program to the Orange County Housing Authority.*

This program targets elderly homeowners that are cash poor but have substantial equity built into their homes. Homeowners can draw needed income from the accumulated equity in their home through a reverse mortgage. The reverse mortgage is a deferred payment loan, or a series of such loans, for which a home is placed as a security. Reverse mortgage programs typically permit homeowners to borrow up to 80 percent of the assessed value of their property, receive needed principal of up to 25 percent of the loan, and receive monthly annuity payments for the life of the loan.

The Orange County Housing Authority has been certified by HUD to provide counseling services for individuals seeking this type of loan. Responsibilities include: providing counseling to seniors interested in applying; working with private lending institutions, and working with seniors to complete applications.

The CDC and the City will publicize the availability of the reverse mortgage program by: publishing information about it in the La Palman and provide information in city facilities.

The CDC and the City will refer eligible senior homeowners to the County Housing Authority to obtain counseling.

g) Section 202 Elderly or Handicapped Housing

Objective: *Support all viable nonprofit entities seeking Section 202 funding.*

Under this federally administered program, direct loans are made to eligible, private nonprofit sponsors to finance development of rental or cooperative housing facilities for occupancy by elderly or handicapped persons. The interest rate on such loans is determined annually. Section 8 funds are made available for all of the Section 202 units for the elderly. Rental assistance for 100 percent of the units for handicapped persons has also recently been made available.

Private, non-profit sponsors may qualify for Section 202 financing loans. Households of one or more persons, the head of which is at least 62 years old or is a qualified non-elderly handicapped between the ages of 18 and 62, are eligible to live in these units.

h) Redevelopment Housing Set Aside Fund

Objective: *Utilize right-of-first refusal option to purchase moderate-income housing units and extend their term of affordability. Preserve 46 units of moderate-income housing.*

The City of La Palma, and its CDC, has been involved in redevelopment since 1983. The City of La Palma will be investing the major portion of the existing monies (over \$2,000,000) in the 60 unit affordable Senior Apartment complex that is currently in the design review process. The project broke ground in the summer of 1999 and will be completed in FY 2000-2001.

Additional set-aside monies will be used for rent subsidies and repairs for the existing affordable projects in the City. As opportunity permits the City will preserve La Palma's moderate income townhomes. The 46 Montecito Village Townhomes will be at risk of conversion to market rate in 2006. The City holds a \$5,000 second mortgage on these units and has the right of first refusal to purchase units as they come up for sale in the project. The City will endeavor to purchase units as they become available, resell them as moderate income housing units, and extend the term of affordability for an additional 10 year period for all re-sold and re-financed units.

i) Preserve Moderate Income Single Family Housing

Objective: *Work to prevent 16 units of moderate income housing from reverting to market rate. Preserve 16 units of moderate-income housing.*

The 16 Kathy Drive single-family homes will be at risk of conversion to market rate in 2005. The city will monitor the units at risk and work with their owners and with non-profit agencies to prevent them from reverting to market rate by extending affordability covenants at the time of resale or refinancing.

j) Density Bonus Ordinance

Objective: *Encourage the development of housing in the City by adopting a Density Bonus Ordinance.*

The City of La Palma will adopt a Density Bonus Ordinance as required by law. Although not a CDC program it is included here for reference purposes. Applicants under State law may file for density bonuses when projects incorporate 20% of units for low-income persons; 10% of units for very low-income persons; or 50% of units for senior citizens.

k) Second Unit Ordinance

Objective: *Comply with State Government code by adopting a Second Unit Ordinance.*

Government Code 65852.1, et. al., provides for implementation of state specifications or the establishment of local Ordinances governing the establishment of a second residential dwelling unit on a single family or multiple family zoned lot. Single-family homes in the City of La Palma generally range in size from 1700 sq. ft. to 2400 sq. ft., on 5000 sq. ft. lots. Room additions are permitted in the City, which can decrease rear setbacks in some areas of the City to 10'. The size and configuration of the housing in the City renders it infeasible to add second units to existing residential properties in the City. Therefore, the City will enact second unit Ordinance incorporating findings that render second units infeasible, and therefore impermissible, in the City. Although not a CDC program it is included here for reference purposes.

l) Streamline Residential Project Approval Process

Objective: *Update the City's Development Code to streamline its residential project approval process.*

The City's permitting and approval process for residential expansion projects will be streamlined to reduce the number of steps in the process. Conforming residential expansion projects will be approved administratively if they involve an expansion of less than one third of the existing dwelling unit's square footage. Thus, only occasional projects that involve significant departure from City development standards would go to the Development Committee and Planning Commission. In most cases, the processing time will be reduced to less than 30 days. Additionally, the City will facilitate applicants with the required approval and permitting that is necessary from other regulatory agencies. Although not a CDC program it is included here for reference purposes.

m) Revise Residential Land Use Designations and Controls

Objective: *Update the City's Development Code to reflect the City's new land use designations and controls.*

This General Plan update incorporates changes to the City's land use designations which are more responsive to the needs of the City as it nears ultimate build out, and which more accurately represent the types of housing stock already in existence in the City. Residential land use designations will now include: Single-Family, Multiple Family, and Village Residential Overlay. Although not a CDC program it is included here for reference purposes.

n) Equal Housing Opportunity

Objective: Support the activities of the Fair Housing Council by publicizing its referral service to local residents using the following methods: publish information in the La Palman and post information obtained from the California Department of Fair Employment and Fair Housing at the public library, community center and on the City Hall bulletin board.

The Fair Housing Program of Orange County provides a range of fair housing services, including housing discrimination response, landlord-tenant relations, housing information and counseling, and community education programs.

o) Emergency Housing

Objective: Update the Development Code to permit emergency housing in the public and institutional zone, and transitional housing in the multifamily residential zone, subject to a Conditional Use Permit.

In accordance with La Palma's Housing Element the City will support efforts to provide emergency housing in the event of a catastrophic event that destroys housing or renders it unsafe. Opportunities will also be provided to accommodate the development of transitional housing in the multi-family zones in the City.

Table 7

CITY OF LA PALMA HOUSING ACTION PLAN SUMMARY					
Housing Program	Program Intent	Plan Objective	Funding Source	Responsible Agency	Time Frame
PROVIDE A DIVERSITY OF HOUSING OPPORTUNITIES					
Walker Street Senior Citizen Apartments	Provide moderate-income senior housing.	Develop a 60 unit moderate-income senior housing.	Loan and Set-Aside Housing Funds	City of La Palma	Three years
Section 8 Housing Assistance	Provide housing subsidies for very low and low-income households.	Assist 10 very low and low-income households in the City.	HUD	Orange County Housing Authority; City of La Palma	Ongoing
Grant Funding	Preserve and rehabilitate affordable housing.	Continue to apply for and utilize CDBG and HOME funds for the provision and maintenance of affordable housing. Preserve or rehabilitate 5 housing units.	HUD	City of La Palma	Ongoing
First Time Buyers Program	Assist first time homebuyers.	Assist at least 6 first-time homebuyers by providing down payment assistance.	Revenue Bond Financing	Orange County Public Finance Department jointly with Los Angeles County	Five years

CITY OF LA PALMA HOUSING ACTION PLAN SUMMARY

<i>Housing Program</i>	<i>Program Intent</i>	<i>Plan Objective</i>	<i>Funding Source</i>	<i>Responsible Agency</i>	<i>Time Frame</i>
Mortgage Credit Certificate	Assist first time homebuyers.	Assist at least 5 first-time homebuyers by providing tax credits.	MRB Allocation	Orange County Executive Office	Five years
Reverse Mortgage Program	Promote retention of owner-occupied units.	Publicize the availability of the reverse mortgage program and refer eligible homeowners to the County Housing Authority.	None Necessary	Orange County Housing Authority	Five years
Section 202 Elderly or Handicapped Housing	Provide housing and related facilities for the elderly and handicapped.	Support all viable nonprofit entities seeking Section 202 funding.	None Necessary	HUD	Ongoing
Redevelopment Set-Aside Fund	Provide a source of subsidies, right of first refusal, and funding for housing repairs for existing affordable housing programs.	Prioritize programs that focus on rent subsidies, right of first refusal, and funding for housing repairs for existing affordable housing projects in the City, after Walker Senior Citizens complex is completed.	Redevelopment Housing Set Aside Fund	City of La Palma	Five Year
Preserve Moderate Income Townhomes	Preserve at-risk housing.	Utilize right-of-first refusal option to purchase moderate-income housing units and extend their term of affordability. Preserve 46 units of moderate-income housing.	Redevelopment Housing Set Aside Fund	City of La Palma	Five Years
Preserve Moderate Income Single Family Homes	Preserve at-risk housing.	Work with owners and interested nonprofit agencies to prevent 16 units of moderate income housing from reverting to market rate.	Redevelopment Housing Set Aside Fund	City of La Palma	Five Years
MAINTAIN HIGH QUALITY RESIDENTIAL DEVELOPMENT STANDARDS					
Code Enforcement	Maintain the quality of the housing stock.	Maintain the City's single and multi family housing code enforcement program.	City of La Palma	City of La Palma	Ongoing
Spotlight on La Palma	Maintain the quality of the housing stock.	Continue the Spotlight on La Palma program rewarding high standards of property maintenance.	None Necessary	City of La Palma	Ongoing
ADDRESS AND REMOVE HOUSING CONSTRAINTS					
Emergency and Transitional Housing Sites	Provide adequate sites for emergency and transitional shelters.	Update the Development Code to permit emergency housing in the public and institutional zone, and transitional housing in the multifamily residential zone, subject to a Conditional Use Permit.	None Necessary	City of La Palma	One Year
Density Bonus Ordinance	Encourage development of housing through provision of a density bonus.	Enact a Density Bonus Ordinance and update the Development Code to reflect its provisions.	None Necessary	City of La Palma	Ongoing

CITY OF LA PALMA HOUSING ACTION PLAN SUMMARY

<i>Housing Program</i>	<i>Program Intent</i>	<i>Plan Objective</i>	<i>Funding Source</i>	<i>Responsible Agency</i>	<i>Time Frame</i>
Second Unit Ordinance	Comply with State Government Code.	Enact a Second Unit Ordinance incorporating findings demonstrating that second units are infeasible in the City and update the Development Code to reflect its provisions.	None Necessary	City of La Palma	Ongoing
Streamline Residential Project Approval Process	Remove a constraint to the expansion of the single family housing in the City.	Update the City's Development Code to streamline the City's residential project approval process.	None Necessary	City of La Palma	Ongoing
Revise Residential Land Use Designations and Controls	Implement the General Plan Update.	Update the City's Development Code to reflect the City's new land use designations and controls.	None Necessary	City of La Palma	One Year
ASSURE EQUAL HOUSING OPPORTUNITY					
Equal Housing Opportunity	Comply with the National Fair Housing Law.	Support and publicize the activities of the Fair Housing Council.	None Necessary	Orange County Housing Authority	Ongoing

III. STATEMENT OF COMPLETED ACTIVITIES**a) Number of Units Constructed, Rehabilitated, or Price Restricted (Prior to 2000)**

The CDC purchased roughly 3.5 acres of residentially zoned land for the Denni Street Village Development at a cost of \$1.2 million dollars to the CDC.

One family received assistance through the Mortgage Credit Certificate Program at a cost of \$190,000 to the CDC. The CDC provided \$405,531 to fund pre-development activities for a 60 unit, moderate income, senior apartment development.

b) Number of Units Destroyed or Removed (Prior to 2000)

Eight affordable housing units were removed as a result of housing development activity. As a result of the Denni Street Village Development six occupied and 2 vacant affordable housing units were removed from the City's housing supply. One parcel that was originally anticipated to be removed was not included in the final project. The table below describes the size of the units that were removed from the housing stock as a result of activities within the Project Area and redevelopment related programs. All of the residences have been replaced by the development of the Denni Street Project and the CDC currently has no outstanding replacement housing obligation. The CDC does not anticipate any CDC projects that would result in new replacement housing obligations.

Table 8

SUMMARY OF HOUSING UNITS REMOVED PRIOR TO 2000

INCOME LEVEL	HOUSEHOLDS DISPLACED	UNITS LOST	BEDROOMS LOST
Very Low	3	4	12
Low	3	4	12
TOTAL	6	8	24

Source: La Palma Annual Housing Reports, City Staff

c) Number of Units Constructed, Rehabilitated, or Price Restricted (1994 to Present)

Since the adoption of the 1994 Implementation Plan, the following programs have been implemented or completed.

- **Denni Street Village Development:** This was the first project of this magnitude undertaken by the CDC and now serves as a source of pride in the community. As a result of the cooperative effort of the CDC and the developer, a total of 97 housing units were built, of which, 16 are moderate income, owner-occupied, single-family residences, 35 are very low income rental apartments for seniors, and 46 are median income, owner-occupied townhomes.
- **Mortgage Credit Certificate Program:** This is an ongoing program that is administered by the Housing and Redevelopment Agency of the Orange County Housing Authority. To date, one homeowner has been assisted since the program was initiated in 1993. The assistance given was in the amount of \$190,000 dollars for a mortgage credit certificate.
- **First Time Homebuyers Program:** The Orange County Housing Authority operates this program on behalf of the CDC in order to assist families with purchasing affordable housing in the community. Unfortunately, to date, no La Palma families have entered into the program.
- **Walker Street Senior Apartment Development:** The CDC funded pre-development activities for a sixty unit, moderate income, senior apartment project which broke ground in late 1999. It is anticipated that the project will be completed in late 2000. The estimated contribution from the CDC Low-Mod housing fund is estimated at two to three million dollars.

IV. ANALYSIS OF FUTURE ACTIVITIES

The following sections detail the programs that are anticipated to be completed during the years of this Implementation Plan, which were not included in the 1994 Implementation Plan document.

a) Number of Units To Be Constructed, Rehabilitated, or Price Restricted

Those housing programs that are ongoing in nature, the First Time Homebuyers and the Mortgage Credit Certificate Programs, will continue to be implemented over the next five years. In addition, the following projects are expected to be considered by the CDC.

Affordable Housing:

- The CDC plans to continue its efforts in developing affordable housing. The development of *60 units of affordable housing*, is currently underway and will be completed in 2000-2001. These are moderate-income senior rental units with affordable covenants that will be retained for 55 years. In 1999 \$405,531 was expended on this project in 1999 and it is anticipated that over \$2,000,000 of Affordable Housing Set-Aside funds will be spent on this project.
- CDC will purchase any "at risk" affordable for sale units in the Denni Street project in order to ensure the continued affordable covenants on these units. The original ten-year affordable restriction imposed by the CDC on these at the time of original sale will be renewed for a ten-year period at the time the CDC sells any unit it has purchased.
- The CDC will impose a new ten-year affordable covenant at the time of resale for any of the 62 "*for sale*" units in the Denni Street Project.
- The CDC will assist in the renovation and retention of the affordable, multi family rental and condominium units in the City. Many of these projects are deteriorating with age and will be in need of assistance to ensure they are well maintained and available as affordable housing units. The goal is to renovate a minimum of 5 family units of low income housing.

b) Number of Units to be Destroyed or Removed

It is not expected that any additional homes will be removed from the City's supply of affordable housing as a result of implementing the programs contemplated above.

V. PLAN FOR THE LOW AND MODERATE INCOME HOUSING FUND

Five Year Period – 2000 thru 2004

Under the requirements of Section 33490, the CDC is required to identify a plan for using the annual deposits in the Low and Moderate Income Housing Fund. This section will describe: (1)

the current balance of the Fund; (2) the annual deposit estimate; (3) the annual expenditures; and (4) the number of units to be developed as a result of those expenditures.

a) Current Balance

According to the City of La Palma's Community Development Commission 1999-00 Budget, as of June 30, 1999, the available balance of the Low and Moderate Income Fund is \$2,111,776.

b) Annual Deposit Estimate

The following table describes the actual and anticipated deposits into the Low and Moderate Income Housing Fund through the 2004 fiscal year. The annual "Housing Set-Aside" figure is derived from a projection based on a conservative annual increase. The "Other Sources" identified in the table below are generally a result of interest on investments and loans. The volatility of the California economy makes it prudent to project a conservative annual increase for planning purposes.

Table 9

PROJECTED DEPOSITS TO THE LOW AND MODERATE INCOME FUND

YEAR	2000	2001	2002	2003	2004	TOTAL
20% Set-Aside	\$ 400,000	\$ 412,000	\$ 424,360	\$ 437,091	\$ 450,204	\$ 2,123,655
Other Sources	48,000	49,440	50,923	52,450	54,023	55,643
TOTAL DEPOSITS	\$ 448,000	\$ 461,440	\$ 475,283	\$ 489,541	\$ 504,227	\$ 2,179,298

Source: City of La Palma Finance Department

c) Annual Expenditures of the Low and Moderate Income Fund

As stated above, the CDC is anticipating the continuation of the Mortgage Credit Certificate and First Time Homebuyers Programs, and assisting with the development of a senior citizens rental housing project. Any additional funds will be utilized to assist with maintenance and upgrades to the affordable rental and condominium units in the City. Some of these projects are beginning to show deterioration due to their age. It is important for the CDC to assist with the retention of affordable housing units. Additionally some funds will be spent to cover the administrative expenses related to increasing, improving, and preserving the community's supply of affordable housing. The CDC projects an expenditure of \$3,700,000 during the next five fiscal years from the Low and Moderate Income Housing Fund. Table 9 summarizes the anticipated revenues in the Low and Moderate Income Fund for the fiscal years 2000-2004.

Table 10

PROJECTED 5 YEAR ACTIVITY FOR THE HOUSING FUND

HOUSING PROGRAMS 2000 - 2004	
Opening Balance 7/1/99	\$ 2,111,776
Anticipated Deposits	2,179,298
<i>Sub-Total</i>	<i>4,291,074</i>
Senior Housing Project Balance to be Paid	(1,394,469)
Other Projects	(2,305,531)
Administrative Expenses	(300,000)
ANTICIPATED BALANCE 2004	\$ 291,074

Source: City of La Palma Annual Reports and
City of La Palma Finance Department

With the anticipated revenues and expenditures for the Low and Moderate Income Housing Fund, it is expected that at the end of the five-year period there will be an available balance of \$271,074, which, may fund any additional housing need at that time. In accordance with Section 33334.12(g)(1) of the Health and Safety Code, the CDC will not possess an "excess surplus" of housing funds because the projected ending balance would be less than the aggregate of the annual deposits for the four previous years, which is expected to total approximately \$2,179,298. In addition, it is expected that the CDC will encumber a portion of the projected ending balance for programs that have not been identified at this time.

Ten-Year Plan

As earlier referenced in this Plan, the State Code requires that this Housing Section covers the five-year period from 2000 through 2004, and that it also must look ten years ahead to 2009. For this second five-year period it is the CDC's intent to continue the ongoing programs detailed in the first five-year period. Additionally during this period the CDC may participate in the renovation and rehabilitation of the multi-family rental housing in the City.

Most of the family oriented apartment complexes in La Palma were constructed in the 1970s, and would benefit from renovations during this time period. By assisting with the cost of renovation and rehabilitation the City can ensure that a percentage of these units will be available as affordable housing. This would also assist with the City meeting whatever Regional Housing Need Allocations are adopted for La Palma. The target is to *rehabilitate or renovate 25 affordable rental units in the City*. The inclusionary housing requirements would be met by restricting 15% on these units (9% low and 6% very low) to moderate, low and very low income residents.

The preservation of the affordability of the 62 for-sale affordable units within the Denni Street project will also be an objective for the CDC during the ten year period.

VI. HOUSING SUMMARY

The City of La Palma Community Development Commission has taken reasonable and prudent measures to maintain quality environment and standard of living for all of its residents. The CDC has plans to complete projects that will supply housing to low and moderate income families, and is currently in compliance with all sections of the California Health & Safety Code pursuant to affordable housing. The CDC plans on maintaining its focus on the rehabilitation and revitalization of its current housing supply, as the City is close to complete "build-out". As opportunities present themselves, the CDC expects to assist in the development of affordable housing within the City, placing emphasis on retaining the affordability component of existing e projects and rehabilitation and rental assistance to the existing housing stock.



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